

BRITISH DOCUMENTS ON FOREIGN AFFAIRS:

**REPORTS AND PAPERS FROM
THE FOREIGN OFFICE
CONFIDENTIAL PRINT**

***SUMMARY OF EVENTS IN
URUGUAY
DURING THE YEAR 1942***



***RALPH SKRINE STEVENSON
January 1, 1943***

Mr. Stevenson to Mr. Eden - (Received February 6.)

(No. 1. Confidential)

Sir,

Montevideo, January 1, 1943.

IN accordance with the instructions contained in circular despatch No. 72 of the 4th November, 1939, I have the honour to transmit, herein, a summary of events in Uruguay during the year 1942, for which I am indebted to Mr. Jocelyn Speck, M.V.O.

I have, &c.

RALPH SKRINE STEVENSON.

Enclosure in No. 111.

Summary of Events in Uruguay during the Year 1942.

Internal Affairs.

THE internal political situation at the end of 1941 was, as I reported in last year's summary, one of considerable tension. The lack of even the outward semblance of co-operation between the "Herresristas" and the Government had led General Baldomir to demand the resignation of the three Cabinet Ministers belonging to that group and to replace them by three of his own supporters.

At the same time the draft Reform Bill had been approved by the Consultative Council; and the President, in a speech to the nation, had stated that in his opinion the amended Constitution would provide a pliable and democratic instrument of government. Moreover the President had become more than ever determined that, notwithstanding "Herrerista" obstructionist tactics, this scheme should be put to the electorate at the presidential elections in March 1942 and be deemed approved if passed by a majority of the votes cast and not of the voters inscribed on the Civil Register.

2. On the 20th February, 1942, the "Herrerista" Senators, still pursuing their customary intransigent attitude, interpellated the Minister of the Interior regarding alleged police intervention in the electoral campaign and, the Government party, being at that moment in a minority, carried a motion censuring the Minister for unconstitutional practice. In the early hours of the following morning the President dissolved Parliament.

No violence occurred; only a single arrest was made; and the public to this *coup* was one of complete calm. Nor was any response forthcoming to a

proclamation issued later by the President of the General Assembly, and signed by the “Herrerista” Senators and Deputies, proclaiming Dr. César Charlone, the Vice-President, as virtual head of State, owing to violation of the Constitution by President. A decree provided, “for the duration of the present régime”, for the establishment of a Council of State to assist the President in all administrative matters on which he deemed their advice necessary and to carry out the functions of the Legislature.

The council, which was composed of twenty-eight members, was formed mostly of men outside party politics, the remainder being representatives of the “Baldomirista” and “Batllista” groups. The Independent Nationalists, the Socialists, the Catholics, and the “Colorado” groups, led by Dr. Blanco Acevedo and Dr. Charlone, refused to take part in the council, though promising support to the Government if the internal policy followed constitutional lines.

3. The postponement of the presidential elections as a consequence of these occurrences, and the President’s silence as to the date on which the elections would eventually be held, caused a temporary recrudescence of political unrest. Although the first step towards putting an end to the existing abnormal conditions, namely, the reconstruction of the Electoral Court, had been taken in March, it was not until June that the President at length announced that the elections would take place on the last Sunday in November (as had been the practice under the previous Constitution). This date, which was much later than the non-Government parties had hoped for, was accepted resignedly by some and with ill grace by others. Moreover, the support given to the President by the “Batllistas” aroused very deep apprehension in the other political groups, since they felt that a “Batllista” triumph would mean a Government implacably sectarian and committed, as in past “Batllista” Administrations, to the proscription of its opponents.

4. In October, the political situation, which up till then had been extremely fluid, began to crystallise. By an agreement reached between General Baldomir and the “Batllistas”, Dr. Juan José Amézaga was proclaimed as the “official” Colorado candidate for the presidency, with Dr. Alberto Guani as Vice-President. This agreement did not, however, extend to votes for the office of Mayor of Montevideo, an important post politically for which the “Batllistas” presented their own candidate, Señor Juan Fabini, while the “Baldomiristas” presented a candidate, Dr. Paiva Irissari, who was also supported by the Colorado groups led by Dr. Blanco Acevedo and Dr. Lagarmilla, both of whom were also running for the post of President of the Republic. The Independent Nationalists, for their part, had chosen Dr. Martín Martínez, an elderly man with

a long and honourable political record, as their candidate for the presidency; the “Herreristas” once again, for the fifth time, put forward the candidature of Dr. Herrera.

5. The principal feature of the elections, which were held, without incident, on the 29th November and resulted in the triumph of Dr. Amézaga, the “official” Colorado candidate, was the success of the “Batllista” group. Notwithstanding nine years’ abstention from political activity, this group secured in Montevideo alone a clear majority of 16,000 votes over the combined vote of all other factions of the Colorado party—a majority which would have sufficed to give them the presidency of the republic had they put forward a candidate of their own.

With the election of Señor Fabini they have obtained control of the Municipality of Montevideo, as well as of a large majority of the municipalities in other departments of the republic. It is probable, from the figures so far known, that they will be the most powerful group in the National Assembly. A substantial measure of control over the government of the country will thus be in the hands of the “Batllistas” during the next four years, although Dr. Guani, as Vice-President of the Republic and President of the Senate and the General Assembly, professes to be confident that they will accept his guidance. Fortunately, from the viewpoint of international policy, nothing is likely to be changed. And if, as seems possible, “Batllistas” and Independent Nationalists, continuing their alliance of the “dictatorship” period, decide to work together, this should still further strengthen the Uruguayan “front” against the Axis Powers.

6. According to the preliminary scrutiny, the votes cast at these elections were as follows:-

“Colorado” party	...	...	...	284,125
“Batllista”	...	...	...	148,664
“Baldomirista”	...	...	...	58,808
Blanco Acevedo	...	...	...	64,946
Lagarmilla	...	...	...	16,031
William	...	...	...	676
“Herreristas” (Nationalist party)	...	...	...	110,440
Independent Nationalists	...	...	...	54,775
Socialist party	...	...	...	8,228
Communist party	...	...	...	12,996
Catholic party	...	...	...	21,873
Votes challenged	...	...	...	55,617

				548,054

As the total number of citizens inscribed in the Civic Register is 859,701 it will be seen that 63,86 per cent, of the electorate went to the polls. The final scrutiny has still to be made, and it is unlikely that the full results will be known until the middle of January. The surprisingly small Socialist poll was probably due to many of their followers voting the “Batllista” ticket; the comparatively large Communist poll may be regarded as reflecting popular enthusiasm for the war achievements of the Soviet Union. The Catholic poll, largely due to women’s votes, far surpassed the number of votes obtained by this party at any previous election.

7. The majority secured by the Colorado party at these elections has also meant the acceptance by plebiscite of the amended Reform Bill. The two major reforms introduced into the Constitution of 1934 are those allowing the President free choice over the selection of his Cabinet (instead of having to select six of its members from the largest and three from the second largest party in the Senate) and the election of the Senate by national vote on a basis of proportional representation (instead of the existing system by which one-half of the seats in the Senate were allocated to the principal minority party the *quid pro quo* obtained by Dr. Herrera for supporting the *coup d’Etat* of 1933).

8. An interesting development arising from the “Batllista” triumph at the elections is the possibility that it may clear the way for the application of compulsory military service in its true form, namely, for a period of permanent service in the army.

9. The first practice “black-out” in Uruguay was staged at Montevideo on an evening in March last. Although partial in character, covering a single section of the capital, and designed to test the various measures prepared by the recently organised Passive Defence Organisation, the results, according to the authorities concerned, were satisfactory and, for them, instructive. Later in the year a similar practice was carried out in another section.

The establishment of “security zones” around military establishments, powder magazines, aerodromes, light and power plants, &c, within which persons regarded as dangerous to national security would be forbidden to reside, likewise pointed to a gradual awakening on Uruguay’s part to the necessity of adopting adequate defence measures. But as the naval officer appointed to implement this scheme complained to a member of my staff, it was unworkable, owing to the fact that the Uruguayan Government had no proper Intelligence Service to assist him in determining which of the many thousands of Axis nationals residing in Uruguay (a large number of whom were actually domiciled within such zones) should be classified as dangerous, and the only existing

organisation the Police Investigation Department was inept, corrupt and tampered.

10. While work on the aero-naval base at Laguna Negra has not, it is understood, gone further than the hydrographic survey, and work on the air base at Carrasco is proceeding slowly, some of the war material which, under the Lease-Lend Act, has been ordered from the United States under the Armaments Bills (paragraph 6 of my 1941 report) had already arrived in September last, in the shape of aircraft, viz., four advanced trainers, eight bomber fighters and eight single float hydroplanes. Other material received earlier in the year comprised approximately 100 parachutes, twenty-four armed motor-cycles, a supply of bombs and four military field switchboards. A group of 105 mm howitzers, mechanized, presumably three gun batteries, three groups of 40 mm. Bofors, probably twelve guns, and an unknown number of 75's are believed to have been shipped some time ago, but have not yet been received. Material already on order includes further types of aircraft, trucks and military bicycles, radio sets, searchlights, Colt revolvers and 40 mm automatic guns. In September a second military mission arrived from the United States for the purpose of assembling, handing over and giving instruction in the equipment received.

11. The sinking of the Uruguayan ship Montevideo by a German submarine, as a reprisal for which the German ship Tacoma was interned by the Uruguayan Government, and the sinking of the Uruguayan ship Maldonado excited, as was to be expected, general indignation amongst the Uruguayans. Yet the public as a whole is still, in the opinion of many of their leaders, both civilian and military, insufficiently alert to the dangers which encompass them from outside, as well as to the threat of Fifth Column activity inside the country, in the latter case all the more serious because of the comparatively large number of German technicians in Uruguay. At the end of the year a special Court of Criminal Justice was set up specially to deal with subversive activities, which will bring within reach of the law many of the activities engaged in by Axis agents or their sympathisers which were previously immune from punishment owing to the absence of definite legislation on the matter.

Foreign Affairs

12. In 1941 the most important event in the sphere of foreign affairs, in so far as its effect upon this country was concerned, was, as I pointed out in my report, the outbreak of war between the United States and the Axis Powers. This led to the rupture of relations by Uruguay with the Axis Powers on the 25th January, 1942. Various security measures were at once taken to prevent the propagation of doctrines tending to jeopardise inter-American ideals of democracy. Financial measures included a resolution adopted by the Bank of the Republic prohibiting the transfer abroad of funds to destinations other than

the United States, the sterling area or any American country breaking off relations with the Axis (though by the introduction of modifications at a later date, permitting transfers of funds through the “free” market to any country non-American Power collaborating in the defence of this continent. As will be recalled, from paragraph 14 of my last report, this matter had already, at the end of 1941, been engaging the attention of the Uruguayan Government. Who felt that, as the safety of their foreign trade depended on the efforts of the Royal Navy, it was only just that British warships should receive the same facilities in Uruguayan ports as those accorded to United States ships. This point was made in the preamble to the decree, which stated that the decision had been taken in view of the importance of maintaining vital inter-American routes which were being defended not only by the United States, but also by non-American fleets.

18. In paragraph 12 I mentioned that the Minister for Foreign Affairs, when discussing the attitude of Uruguay in the event of a declaration of war by Brazil, had stated that the final decision would be influenced by the defence of the Uruguayan coastline. When I pressed Dr. Guani on this point he explained that he had in mind an extension of the United States and British naval patrols and close contact between our naval authorities and the Uruguayan Ministry of National Defence, and he asked me to enquire urgently whether any such arrangement would be possible. I learned that from my United States colleague Dr. Guani had asked for an actual increase in the naval forces stationed in these waters.

In accordance with the instructions subsequently received by me, I informed Dr. Guani that, as responsibility for assisting in the patrol of Uruguayan waters rested with the United States Government and any of His Majesty's ships operating off the coast of Uruguay were under the control of the United States naval authorities, close contact on operation matters between our naval authorities and the Uruguayan Ministry of Defence would therefore not serve any useful purpose. His Majesty's Government were, however, anxious to continue the close relationship between the naval authorities of the two countries and to continue to give such advice as lay in their power.

19. After lengthy negotiations the Uruguayan Government at the end of the year finally gave their authorisation for the sale and transfer to His Majesty's Government of a floating dock and repair plant owned by a local firm, which was urgently required for use in South Africa. In order to allay criticism and internal repercussions by demonstrating to Uruguay public opinion that the Government had obtained a substantial *quid pro quo*, various suggestions were made by the Minister for Foreign Affairs, principally in the way of equivalent supplies from the United Kingdom and Canada of certain essential materials,

e.g., newsprint, constructional iron and wire. Eventually the Uruguayan Government accepted an offer made by His Majesty's Government to allocate to this country twelve additional cargoes of coal of 6,000 tons each.

20. The invitation for two Uruguayan naval officers to visit Great Britain as naval observers was greatly appreciated, and the officers selected returned to Uruguay much impressed by all they had seen. One of these officers, who is now Officer Commanding the Naval Training Centre for Reservists, has been giving these reservists a series of lectures on the defense services of Great Britain.

United States

21. The United States Government have continued sedulously to cultivate their relations with this country, and the flow of commercial and cultural missions and representatives is now a two-way traffic, a very large number of Uruguayan naval and military officers, flying-men, journalists, professors and students having received either personal invitations or grants to visit the United States.

The Minister for Foreign Affairs, who is to leave for Washington in the middle of this month, informed me that, while there he will endeavour to arrange a loan, the proceeds of which would be used by the Uruguayan Government to purchase the Montevideo Telephone Company and, secondly, to finance an extensive scheme of public works, principally road-making. Dr. Guani will also try to persuade the United States Government to increase the allocations of liquid fuel to Uruguay and bring up the question of shipping in the hope of obtaining satisfaction of Uruguay's needs.

22 The arrangements with the United States in regard to the Rio Negro Hydro-Electric Scheme (referred to in paragraph 20 of my last report) reached a further stage in April last with the signature of an agreement between the two Governments for the completion of this scheme, the Uruguayan Government undertaking to sever all connexions with the German interests concerned in the project; and the United States Government undertaking to arrange that the Export-Import Bank should advance a loan (ultimately fixed at United States \$12 million) for the purchase in the United States of equipment and that priorities for manufacture and shipment should be obtained. At the end of October the president of the local board spontaneously informed the local representative of the English Electric Company that negotiations in Washington, after breaking down owing to the "barbarous" and "completely unacceptable" financial conditions which the Americans were trying to impose,

had been resumed on the initiative of the United States interests concerned, but with little hope of success. He enquired whether the English group would reconsider the matter, and stated that he would welcome any reasonable proposition from them. Further efforts were subsequently made by both the United States and Uruguayan Governments, and by the end of the year some kind of an agreement had, I understand, been reached though I am not aware of its precise terms.

23. The fixing of the exact amount of the Export-Import Bank loan, referred to above, coincided with the announcement on the 21st July, of the conclusion of a reciprocal trade agreement between Uruguay and the United States, to come into force thirty days after the exchange of ratifications. This agreement is designed to facilitate trade between the two countries after, as well as during, the present war. It provides for reciprocal tariff concessions covering a substantial portion of the main articles of commercial exchange, and assurances against discriminatory tariffs, quotas or exchange control being imposed on imports from either country into the other.

24. In October I was informed by my United States colleague that he had had a satisfactory talk with the President of the Republic in regard to Uruguayan co-operation in economic warfare. The President's intention was to establish a committee, of which the Minister for Foreign Affairs would be a member, to advise him on the extent to which the Uruguayan Government can put into force the recommendations of the recent conference in Washington of the central banks in which, so I learnt confidentially, the bank of the republic had already reported favourably.

25. It is pleasant to be able to put on record that the relations between the United States and the British communities in Uruguay are entirely satisfactory and of a very cordial nature.

Other Countries

26. During the visit of the first Canadian Trade Mission in September 1942, referred to in paragraph 24 of my last report, the possibility of establishing direct diplomatic relations between Canada and Uruguay was mentioned by the Uruguayan Minister for Foreign Affairs. In February last I conveyed a message to Dr. Guani from the Canadian Secretary of State for External Affairs cordially reciprocating this desire to foster closer relations and informing him that His Majesty's Government in Canada were giving serious and sympathetic consideration to the proposal. Dr. Guani, who had not, it transpired, given any further consideration to the practical application of this proposal, suggested that

when visiting Washington he would like to pay a short visit to Ottawa and take the opportunity of discussing the question of diplomatic representation. I am accordingly trying to arrange that Dr. Guani shall visit Ottawa this month.

27. Relations with Argentina continue to be outwardly correct, although that feeling of contempt for the Argentine Government's frantic neutrality, which I mentioned in paragraph 26 of my last report, persists, and, if anything, has become more vocal in the press and amongst the general public, especially since the Rio de Janeiro conference. The commercial treaty between the two countries, stipulated in the Colonia Agreement of 1940, still remains unsigned.

28. Relations with other South American States continue to be, on the whole, harmonious. Dr. Guani visited Chile in September last and returned satisfied with the results. He had intended visiting Brazil, Peru and Bolivia on his return from his visit to the United States, but it is now doubtful, in view of this election as Vice-President of the Republic, an office he will assume in March next, whether he will have time to carry out the whole programme.

29. On the departure of the Axis representatives from Uruguay, the interests of this Powers were confided to Spain. As a result of lengthy negotiations between the Spanish Legation, the Uruguayan Government and His Majesty's Legation, the Uruguayan Government and His Majesty's Legation, arrangements were finally made for the repatriation of a large number of German and Italian nationals.

30. Early in 1942 the Uruguayan Government, in accordance with a law of 1941 declaring illegal all associations owing allegiance to foreign Powers, dissolved the "Fundación Española" an institution in Uruguay formed by members of the Falange (whose original institution in Uruguay was dissolved last year) and of which the Spanish Minister was President.

31. The "Free Italians" held a pan-American Conference at Montevideo from the 14th-17th August, 1942, at which Count Sforza was present though, owing to delays and difficulties in his journey, only on the last day of the conference. Under the "Declaration of Montevideo" approved by the conference, the assurances contained in the Atlantic Charter (to which full adherence had been voted) were interpreted as implying that the defeat of the Axis would mean the reconquest by the Italian people of their liberty and their return, on a status of complete equality, to the consortium of nations, and that to achieve this objective the Free Italians of America "believed it to be their duty to offer all such contributions as they are in a position to make towards securing victory, both in the political preparation on Italian post-war reconstruction and

also as regards immediate help at the present time"; the convocation of a Constituent Assembly, at which the Italian people could frame a new Constitution for themselves, was postulated, and the hope expressed that the Monarchy might be replaced by a Social Democratic Republic; the establishment of an Italian National Council, which should be recognised by the United Nations, was proposed; the participation of the Free Italians in the armed struggle through a military unit under the command of Randolfo Pacciardi was recommended; and, finally, the task of organizing the Italian National Council was conferred on Count Sforza, "spiritual and political head of the anti-Fascist Italians" I understand that Count Sforza regards his visit to South America as having been in the nature of a considerable personal triumph.

32. M. Albert Ledoux, delegate of the French National Committee in Uruguay, was transferred to Rio de Janeiro at the end of 1942. He was replaced temporarily by M. Maurice Garreau Dombasle pending the arrival, at the end of the year, of M. Emmanuel Lancial. In June 1942 His Majesty's Legation supported the demarche made by M. Ledoux to the Uruguayan Government regarding the recognition by the Uruguayan authorities of passports renewed by the Free French authorities, as it had likewise done on a previous occasion. While the validity of such passports is now recognised by the Uruguayan Government, no diplomatic recognition has yet been granted at the end of the year to the Free French representative. On the 29th October M. Henri Hoppenot resigned his post as French Minister to Uruguay.

Rio de Janeiro Conference

33. At the third consultative meeting of the Ministers for Foreign Affairs of the American Republics, held at Rio de Janeiro from the 15th-28th January 1942, Uruguay put forward the draft resolution regarding the extension of non-belligerency referred to in paragraph 15 of my last report. Although the formula was subsequently emasculated by the conference, the Uruguayan Government later decreed that the special facilities to be granted to non-American Allies should include free and unrestricted use of Uruguayan ports. At the closing session her Minister for Foreign Affairs was able to announce the rupture of diplomatic, commercial and financial relations with the Axis Powers. Dr. Guani on his return, expressed himself as generally satisfied with the results of the conference.

Emergency Advisory Committee

34. One of the steps taken towards implementing the recommendations of the conference and maintaining the pattern of hemisphere solidarity outlined at Rio de Janeiro, has been the establishment of the Emergency Advisory Committee for Political Defence (Resolution XVII (5)). This committee,

composed of delegates from Argentina, Brazil, Chile, the United States, Mexico, Uruguay and Venezuela, held its first meeting at Montevideo on the 15th April, under the chairmanship of Dr. Guani. Its functions are to recommend measures for the control of dangerous airlines, for preventing abuses of citizenship, regulating transit across national boundaries and preventing acts of political aggression. Reviewing the first six months' labours of the committee in an address pronounced on the 15th October last, Dr. Guani was able to announce that the initial stage examination of existing defence measures and recommendations for implementing, or supplementing, such measures had been practically completed, and that the committee could now enter upon the second stage of direct consultation between its members and the competent officials of the American republics. A recommendation, approved in December last, provided for the suspension of radio communications with the Axis and the Axis controlled countries and the establishment of censorship over all means of communications between the western hemisphere and those countries, non-American countries in communication with them and American States that have not yet severed relations or suspended communications with the Axis and satellite countries.

Rivera Meeting

35. When, in August last, the "state of belligerency" declared by the Brazilian Government exposed the neighbouring countries to the danger of an influx of enemy nationals across their respective frontiers, the committee convoked a regional meeting of delegates from Argentina, Bolivia, Brazil, Paraguay and Uruguay. This meeting took place at the Uruguayan town of Rivera on the Brazilian border, under the chairmanship of the Uruguayan Minister of the Interior, from 22nd-26th September.

A comprehensive system of frontier defence against the infiltration of undesirables appears to have been evolved, requiring only the co-operation of the countries concerned. Notwithstanding the Argentine delegate's statement that maintenance of diplomatic relations with the Axis Powers did not put his country into a different position from that of the other American republics and that Argentina would show as friendly a spirit towards Brazil as any other republic and would scrupulously perform her undertakings, the Uruguayan press reflected the widelyfelt scepticism as to the extent of Argentine co-operation.

Attitude of Argentine

36. This atmosphere of suspicion regarding Argentine's role at the meeting was the logical consequence of the attitude of the Argentine Government towards the Emergency Advisory Committee itself. The

appointment of a Counsellor of Embassy, instead of their ambassador, as Argentine delegate on the committee had already aroused comment and feelings were still further ruffled in connexion with the inter-American Conference on the Co-ordination of Police and Judicial Measures, held at Buenos Aires in May last. The committee had decided that all its members should travel to Buenos Aires in order to attend this conference and while in that capital hold various sessions. The Argentine Foreign Minister, however, thought otherwise, and so informed the committee's secretary-general, both verbally and in writing. The committee did not, therefore, hold meetings or submit recommendations while its members were in Buenos Aires, and will in future send direct to the Pan-American Union all recommendations it may make. It will also, before embarking on visits of consultation, ascertain from each Government whether such a visit would be agreeable.